

## MEMO

**TO:** Reporters, Editors, Interested parties

**FROM:** Clark Pettig, Communications Director, Congressman Glenn Nye

**RE:** GAO Report on Navy Basing Decision Process

**DATE:** May 11<sup>th</sup>, 2010

### **GAO Investigation Finds Navy's Homeporting Proposal Based on Flawed Decision-Making Process**

#### **Overview:**

*A Government Accountability Office (GAO) investigation ordered by Congressman Glenn Nye found that the decision-making process used by the Navy in the controversial Mayport homeporting proposal was fundamentally flawed.*

*Specifically, the GAO investigation found that the key Navy processes for making basing decisions – the Strategic Laydown and Strategic Dispersal flow charts – “do not describe how risk is evaluated and who conducts this analysis.”*

*The GAO report also discovered that those same, flawed processes were used to develop the Navy's proposal to create a redundant East Coast nuclear carrier homeport.*

#### **Background:**

In January 2009, before President Bush left office, the Navy announced a Record of Decision to create a redundant, East Coast nuclear carrier homeport at Naval Station Mayport by 2014.

Following objections from lawmakers around the country, led by Virginia lawmakers, Defense Department officials announced that they would review the homeporting proposal as part of the 2010 Quadrennial Defense Review (QDR).

In June 2009, as part of the 2010 National Defense Authorization Act, Congressman Glenn Nye passed an amendment ordering the GAO to conduct a study of the Navy's decision-making process for homeporting decisions and, specifically, carrier homeporting proposal. The text of Nye's amendment reads, in part:

*“The committee directs the Comptroller General of the United States to submit a report to the congressional defense committees by May 1, 2010, on the military services' decision process used in making basing determinations, such as the decision to establish a second homeport for a nuclear-powered aircraft carrier on the East Coast of the United States. The committee believes this decision raises significant strategic, cost, and risk questions.” (H.Rept. 111-166)*

In January 2010, the Defense Department released the final draft of the QDR, which reiterated support for creating a redundant East Coast nuclear carrier homeport but again offered no rationale for the proposal. Late drafts of the QDR from December 2009 had specifically rejected this approach, calling instead for creating a port capable of temporary, transient docking.

At multiple House Armed Services Committee hearings in February 2010, Secretary of Defense Robert Gates, Chairman of the Joint Chiefs of Staff Admiral Mike Mullen and Undersecretary of Defense Michele Flournoy offered three contradictory explanations for the QDR recommendation, and none of them cited specific risk analysis of the question.

On April 19<sup>th</sup>, 2010 the Navy informed Congressman Glenn Nye that the proposed timeline had been delayed to 2019. Three days later, the Navy confirmed that the implementation date had shifted after the homeporting proposal was reviewed in the QDR.

On May 11<sup>th</sup>, 2010 the GAO released its report: “Defense Infrastructure: Opportunities Exist to Improve the Navy’s Basing Process and DOD Oversight,” confirming that the Navy’s risk-analysis process in developing the Mayport homeporting proposal was flawed.

### **Key Highlights from the GAO Report:**

*The GAO investigated the decision-making processes used by the Army, Navy, Air Force and Marine Corps to evaluate basing decisions. Of the four services, only the Navy’s decision-making process was found to have flaws – and those flaws were specifically in the analysis tools used to conduct risk-assessment: the **Strategic Laydown Process Flow Chart** and the **Strategic Dispersal Process Flow Chart**.*

“Two of the Navy’s guidance documents lack specific key management controls. First, the Navy’s **Strategic Laydown Process Flow Chart does not describe how risk assessment should be evaluated**. Second, the Navy’s **Strategic Dispersal Flow Chart does not show how and who is responsible for conducting and evaluating risk assessment...** [or] show proper documentation in executing the process and how it should be maintained....”

“For example the [strategic dispersal] flow chart shows that some types of capability and capacity analyses of potential homeport locations are conducted that take into consideration access to training areas, sailor quality of life, family quality of life, and collocating of ships and support units and planned military construction projects, port capacity and loading, pier space, and ship size respectively. However, the **Strategic Dispersal Flow Chart**

**does not describe in any detail** how the analysis is to be conducted and who is to conduct it.”

“Navy officials told us that the flow charts describing its *strategic laydown* and *strategic dispersal* processes were the **primary documentation** used to support Navy’s basing methodology.”

*The GAO Report included an appendix specifically examining the Navy’s controversial proposal to create a redundant East Coast carrier homeport at Naval Station Mayport.*

**“The Department of the Navy made its recent decision to homeport a nuclear-powered aircraft carrier at Naval Station Mayport using its *strategic laydown* and *strategic dispersal* processes and its environmental planning guidance documents.”**

*Additionally, the GAO Report also highlighted that the decision-making processes used by the other military services do not have the same flaws:*

“Our assessment found that the **Army, Marine Corps, and Air Force basing processes incorporated all of the key elements**, associated factors, and management control standards that we identified as necessary for a process to be comprehensive and its decisions to be transparent, repeatable, and defensible. However the **Navy has not provided complete guidance for its infrastructure analysis – a key element** – and for some of its related management control standards in its basing process.”

### **Implications:**

The findings of the GAO report underscore the lack of a strategic, **risk-based** rationale for creating a redundant carrier homeport on the East Coast.

At House Armed Services Committee hearings in early 2010, senior Navy and Defense Department officials offered conflicting explanations for the homeporting proposal – at one point labeling it a “judgment call” – and could not point to any risk-based rationale for the move.

Without a clear, risk-based reason for creating a redundant homeport, it is difficult to justify spending over \$1 billion on that project at a time when other key defense priorities are going underfunded.

The full report can be found online at: <http://www.gao.gov/new.items/d10482.pdf>